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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000996

SIPDIS

STATE FOR SA/INS  
LONDON FOR POL - RIEDEL

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TAGS: [PGOV](#) [NP](#) [GON](#)

SUBJECT: AMBASSADOR'S MEETING WITH OPPOSITION LEADER

REF: KATHMANDU 995

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5(B,D).

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SUMMARY  
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11. (C) In a May 23 meeting with Ambassador Malinowski and British Charge Mitchell, Opposition Leader and General Secretary of the Communist Party of Nepal - United Marxist

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Leninist (UML) Madhav Nepal said that he is prepared to go along with the dissolution of Parliament and to participate in fresh elections called for November 13. He issued a caveat, however, that he would first have to get approval from the party. While expressing some concern that the move might be manipulated by "old forces," i.e., the Palace, to reassert its interests, Nepal blamed former Prime Minister G.P. Koirala for provoking a confrontation with current Prime Minister Sher Bahadur Deuba which, in Nepal's words, left Deuba no other alternative but to dissolve Parliament or to tender his resignation. After some hesitation, Nepal did not rule out the possibility of UML participation in an interim Cabinet. The Ambassador and his British counterpart stressed the need for political maturity at this critical juncture and advised Nepal that their two governments will watch developments--and the behavior of parties and individual political leaders--closely. This crisis presents a crucial opportunity to restore good governance, better counter the Maoists, and eliminate corruption. Despite his generally positive comments, we expect Nepal will wait to see which way political winds are blowing before making any public commitments. End summary.

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THE VIEW FROM THE UML  
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12. (C) On May 23 Ambassador Malinowski, accompanied by British CDA Andrew Mitchell, called on Communist Party of Nepal - United Marxist Leninist (UML) General Secretary and Leader of the Opposition Madhav Kumar Nepal to glean his reaction to the surprise May 22 dissolution of Parliament and call for fresh elections November 13 (septel). Nepal squarely blamed former Prime Minister and ruling Nepali Congress Party President Girija Prasad Koirala for provoking a confrontation with Deuba over extension of the emergency in the party's Central Working Committee (CWC) meeting (Reftel). Koirala's sole motivation in the entire matter, Nepal asserted, was his desire to return to power. Nepal complained that Koirala is ever ready to sacrifice the national good for personal ambition and gain. Venting on the former PM, Nepal described him as the most corrupt person in the country and as one whose word could not be trusted. After corraling support in the CWC, Koirala was moving so aggressively against the PM among the party MPs that Deuba was left with only two alternatives: resign or dissolve Parliament. Deuba was only doing what he had to do, Nepal observed, describing the move as constitutional. The UML is prepared to accept the decision and to participate in elections in six months. (He issued a caveat, however, that he would first have to get approval from the party.) That said, however, he expressed some concern that the dissolution of Parliament not be manipulated by "old forces," i.e., the Palace, to regain some of the power lost since the restoration of democracy in 1990. Elections must be free and fair, he emphasized. He did not speculate about whether the security situation will affect the ability to conduct such elections beyond noting that his party would accept the results of a free and fair election with no more than 30 percent voter turnout.

13. (C) Both the Ambassador and the British Charge noted the intrinsically undemocratic nature of the CWC action the previous day. How can a political party, whose leadership is elected only by its members, force a decision on the government, which is elected by all voting citizens of Nepal? The Opposition Leader--himself a party leader--initially responded with arguments in favor of the primacy of the party, but eventually began to see the logic of the point of the two envoys.

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UML IN INTERIM CABINET?  
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14. (C) If Deuba appoints a new Cabinet, the Ambassador asked, would the UML participate? The current crisis also presents an opportunity for political leaders to do exactly what they always talk about doing--better combating the Maoist insurgency, tackling corruption and instituting good governance. A smaller, multi-partisan "blue-ribbon" interim Cabinet might be just the way to do it, he pointed out. Nepal initially expressed some ambivalence about the prospect, stating that, if asked, he would first have to consult the party Central Committee. The Ambassador and the British CDA both emphasized that as long-standing friends of Nepal, their governments are frustrated by the lack of political maturity so apparent in Kathmandu. Their governments hope to be helpful, but at the same time have a responsibility to their taxpayers to ensure that aid is well spent, and have taken serious note of statements by Koirala himself, as well as others (including the Opposition Leader), that Nepal does not need foreign assistance to counter the insurgency. While acknowledging that such statements are often made for domestic political advantage, both envoys noted that their governments could use assistance given to Nepal in other places, if future Nepali governments and Prime Ministers (including Madhav Nepal) did not want the assistance. The time to sacrifice petty partisan interest for the greater national good is now, they stressed; their governments would be looking for signs of such commitment. The Opposition Leader--who has himself made recent public statements asserting national sovereignty and discounting the need for foreign aid--took the hints on board. While reiterating the need for prior party consultation, he no longer as readily dismissed the possibility of working in an interim Cabinet.

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COMMENT  
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15. (C) The UML leader has good reason to be amenable to new elections and even the possibility of serving in an interim Cabinet if asked. The Opposition is the only likely beneficiary of the internecine warfare now raging within the majority party. If Deuba and his Cabinet are expelled from the Nepali Congress--and that remains a distinct possibility--the largest and oldest Nepali party could disintegrate into rival factions, clearing the way for the UML (newly bolstered by its reunion with the ML in February) in the next elections. But Madhav Nepal is too seasoned a politician--and has been too long in the Opposition--to tip his hand yet. We expect he will wait to see which way the political wind is blowing before deciding how his party can best capitalize on this new situation.

MALINOWSKI